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CENTRAL INTELLIGENCE AGENCY

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50X1-HUM

PROCUREMENT, IMPORTS, AND STORAGE OF GDR MEAT AND GRAIN SUPPLIES

[redacted]

50X1-HUM

I. ACTIVITY REPORT OF THE GDR STATE SECRETARIAT FOR PROCUREMENT AND PURCHASE OF AGRICULTURAL PRODUCTS

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50X1-HUM

Procurement is behind the quota in all Laender. According to the farmers themselves, the greatest difficulties are encountered in making deliveries of meat, milk, and eggs. The farmers say that sufficient cattle are available, but they are not heavy enough for delivery.

Despite drastic measures taken, it has still not been possible to procure the meat necessary to supply the population with the amounts to which their ration cards entitle them and in addition to give the HO (Trade Organization) ration-free meat at higher prices. There are reports from all Laender that the people queue up in front of butcher shops all day long to get a few grams of meat and lard.

In the State Secretariat itself renewed unrest has been caused by an order which states that 30 - 40 workers will have to be dismissed because they were prisoners of war of the Western Allies. Some section chiefs will be affected by this order; there is no regard for the ability of persons involved. This action will lead to further chaos in the already weak administration, and there is danger of a catastrophe.

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The 1951 early potato crop shows misplanning. Too many early potatoes were planted, which resulted in flooding the potato market. To what degree this potato surplus will show up in the fall supply cannot yet be determined.

A large part of the State Secretariat is busy drawing up plans for procurement. In practice, these plans are never fulfilled, for as soon as they are drawn up they are superseded by new ones. For example, plans have been drawn up, within the framework of the 1951 - 1952 hog-fattening program, for concluding contracts for fattening 1,500,000 pigs, and the meat to be produced has already been included in the meat supply plan. However, the contracts can never be concluded by the farmers, because they are short of suckling pigs, pig pens, and fodder. End result: no pork for the plan.

However, the bran necessary for the misplanned hog-fattening contracts is already being ground and is being delivered to the VDGB (Farmers' Mutual Aid Association) for distribution to farmers. But, since the contracts cannot be concluded as planned, the VDGB cannot distribute the bran to the farmers. This means storing bran at the VDGB stations and at the mills, to the point where it is becoming an obstruction and has caused production difficulties at the mills.

The grain harvest is proceeding without difficulties. The end result cannot yet be estimated. The shortage of storage space caused by the fact that the farmers are not trusted and are obliged to deliver their grain immediately will soon result in halting the procurement operation.

II. STORAGE SPACE FOR GRAIN AND OILSEEDS IN 1952

/The following information on storage space for grain and oilseeds is contained in a typewritten report dated Berlin, 23 August 1951; preparing agency is not indicated./

	Tons	
Stocks as of 1 Jan 1952	1,950,000	(including 392,000 tons of state reserves)
Purchases, 1st and 2d quarter 1952	22,000	
Imports, 1st and 2d quarter 1952	1,150,000	
Incoming by 30 Jun 1952	3,122,000	
Minus sales, 1st and 2d quarter 1952	1,910,000	
Stored as of 30 Jun 1952	1,212,000	(including 392,000 tons of state reserves)
Storage space available for	2,410,000	(figure taken from plan of Ministry for Trade and Supply)
Free storage space on 1 Jul 1952 for	1,198,000	
Stocks, as of 1 Jul 1952	1,212,000	
Procurement, 3d quarter 1952	1,917,000	(grain 60% of total harvest, oilseeds 90%)

	Tons	
Purchases, 3d quarter 1952	37,000	
Imports	--	(according to procurement deadline set by law)
Incoming by 30 Sep 1950	3,166,000	
Minus sales 3d quarter 1952	1,290,000	
Stored as of 30 Sep 1952	1,876,000	(including 492,000 tons of state reserves)
Storage space available (on 1 Jul 1952) for	1,198,000	
Shortage of storage space by 30 Sep 1952	678,000	

In the above table, the figure for stocks as of 1 January 1952 is the final figure of the fourth quarter 1951 plan plus the stocks of oilseeds and the imports of oilseeds still to be received.

The figures for sales in the first and second quarters of 1952 include both sales of grain to processing industries for the population and sales of grain for feed, as shown in the control figures of the 1952 Economic Plan.

The available storage space consists of the storage space of the VVEAB (Federation of People-Owned Collection and Purchase Enterprises) and the storage space of the processing industries; the space necessary for shifting stocks has already been deducted (net storage space).

The figure for sales in the first, second, and third quarters of 1952 are based on corresponding sales in those quarters in 1951.

The increase in state reserves by 100,000 tons, to 492,000 tons, was moved up to the third quarter 1952, and is thus included in the 1952 procurement.

The expected shortage of storage room as of 30 September 1952, at which time 60 percent of the grain harvest will have been procured, means that no storage space at all will be available for approximately 40 percent of the grain harvest.

Even if sales for the first three quarters of 1952 were calculated too low and may be 150,000-200,000 tons higher, the fact remains that with a state reserve of approximately 500,000 tons in addition to a stock of 500,000-700,000 as of 30 June 1952 (supply for third quarter 1952), the problem of storing with the present storage capacity is insoluble. Storage space for 500,000 tons must be made available or else imports must be reduced.

The blocking of 500,000 tons of storage space of the VVEAB, particularly all mechanized storage facilities, by the state reserves would mean diverting the other stocks to small, nonmechanized facilities. This would not only mean greater expense, but would also have the inherent danger that it would be technically impossible to receive the imports and the overland shipments within the GDR.

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S-E-C-R-E-T

III. OUTLOOK FOR BREAD AND FODDER GRAIN IN THE GDR DURING 1952

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[illegible] as of 1 January 1952 will amount to 1,950,000 tons, that is, the [illegible] 1951 harvest. In addition, surplus purchases during the first and second [illegible] of 1952 will amount to 22,000 tons, and imports from the USSR during [illegible] two quarters are to amount to 1,150,000 tons.

However, it is very doubtful that these imports can be realized with the [illegible] space available in the GDR. The two available GDR ports, Wismar [illegible], have together an unloading capacity of 400,000 tons. (The harbor [illegible] is not deep enough because of sand.) The Polish harbor of Szczecin [illegible] only 250,000 tons, since most of the suction installations there were [illegible]. This means that altogether only 650,000 tons can be received from [illegible] via ship. The grain unloaded in Szczecin still has to be transported [illegible] Oder. The remaining imports of 500,000 tons must be transported by rail [illegible] of three routes: Zheleznodorozhniy-Kostrzyn, Kovel'-Frankfurt, and [illegible]. These quantities will have to be shipped in large 30-ton freight [illegible] through the USSR and Poland and reloaded at the German border into boxcars [illegible] track gauges. A German boxcar holds only 15 tons, which means that [illegible] boxcars will be needed to assure transportation. In other words, 115 [illegible] filled with grain must be moved daily. This is an amount which the GDR [illegible] present supply of boxcars cannot possibly handle.

IV. GDR GRAIN IMPORTS IN 1951 (UP TO JULY)
(in tons)

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	Imports up to 1 Jul	1st Jul Shipment	2d Jul Shipment	3d Jul Shipment	Total
[illegible]	48,406	--	--	--	48,406
[illegible]	65,854	--	1,789	--	67,643
[illegible]	52,751	21,423	13,106	--	87,280
Total via seaports	167,011	21,423	14,895	--	203,329
[illegible]	78,631	1,721	1,657	126	82,135
[illegible]	263,871	35,474	11,310	4,870	315,525
[illegible]	84,571	12,739	809	15	98,134
Total overland	427,073	49,934	13,776	5,011	495,794
Total	594,084	71,357	28,671	5,011	699,123

V. SCHEDULING OF GDR IMPORTS OF GRAIN FROM THE USSR

[redacted] 50X1-HUM

S-E-C-R-E-T

The Transportation Department proposes that the 750,000 tons of grain be shipped in as follows from March to July:

	Tons per Mo
Through Rostock	50,000
Through Wismar	20,000
Through Szczecin	45,000
Overland route	35,000
Total	150,000

In case unloading should start as early as February, the amounts can be distributed as follows, assuming there is no lengthy frost which would curtail shipping:

	Tons in Feb	Ton per Mo, Mar - Jul
Overland route	50,000	30,000
Rostock	35,000	50,000
Wi[illegible]	15,000	20,000
[illegible]		30,000
[illegible]	100,000	130,000

[illegible]s with a draft of 16 feet are available, 10,000-12,000 tons [illegible]rough the port of Stralsund. In that case the amounts for [illegible] overland route are to be reduced accordingly. Since the dis- [illegible]alongside the silos in the GDR ports is limited, the arrival [illegible] arranged as follows: Rostock -- no more than 2 ships every 3 [illegible] -- no more than one ship every 2 days; Stralsund -- no more than [illegible] 3 days.

[illegible] contracts with the USSR provided for an unloading norm for grain of 250 [illegible] day per batch. Experiences in the past few years have shown that [illegible] too high for the capacity of the installations in GDR ports. A [illegible] of 200 tons per day per batch would be more reasonable. The non- [illegible] of the 250-ton unloading quota has led to numerous claims and demur- [illegible].

[illegible] handling of grain transportation there should be:

[illegible]elegraphic notification when a train leaves the USSR-Polish border, [illegible] as to type of grain, amount, and number of carloads.

[illegible] Telegraphic notification of steamer departure, with details as to type [illegible], quantity, and port of destination.

If the steamer takes less than 3 days from port of departure to unloading point, telegraphic notification of the proposed departure of the steamer should be given as soon as it is ready to be loaded. Such notification would make it possible to take care of the necessary preparations for unloading and the necessary transportation space. The "Statistical Graph of Steamer Movement" published last year by the trade representatives of the USSR is not adequate data for such preparations.

Captains of Soviet vessels should send messages through the coastal radio station on Ruegen to advise the shipping agents in the unloading ports of their arrival.

VI. HANDLING OF GDR GRAIN IMPORTS

As was learned at a meeting at the German Foreign Trade Agency for Foodstuffs on 8 February 1951, a 50,000-ton monthly turnover is provided for Rostock. This quantity is definitely too high. According to available reports, the capacity of VEAB (People-Owned Collection and Purchase Enterprise) Rostock, is about 1,000 tons for silos I and II every 24 hours, and 600 tons for silos III and IV every 24 hours. The time needed for warping the ships into the dock is not taken into account in this estimate.

If an average of 1,400 tons can be handled daily, this would amount to 42,000 tons per month. However, this would mean that the suction installations were used without interruption, which may not be possible considering their run-down condition. The installations should not be required to do more than 35,000 tons per month.

Increased amounts could be handled if conveyer belts were used; however, this is dependent on weather conditions and would mean an increase in costs.

The required daily unloading of 250 tons per hatch per ship cannot be guaranteed in every case. In case additional unloading should be done with conveyer belts, it will be necessary to decide on the weight to be used as the basis for billing. Quantities unloaded by conveyer belts cannot go into silos but must be put directly into freight cars. It is suggested that the weight determined by railroad officials should be used at first. However, this often differs considerably from the more exact weights determined by the silo scales. Therefore, if there is a weight deviation of more than 50 kilograms either way, final calculations will be made when the grain arrives at the processing enterprise.

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